

D.T.E. 98-77

Investigation by the Department of Telecommunications and Energy on its own motion into compliance by electric companies with Section 196 of the Electric Restructuring Act of 1997, St. 1997, c. 164, § 196.

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NOTICE OF INQUIRY AND ORDER SEEKING COMMENTS

Pursuant to Section 196 of the Electric Restructuring Act of 1997, St. 1997, c. 164, § 196, any city or town receiving street lighting service from an electric company, pursuant to a tariff which provides for the use by such municipality of lighting equipment owned by the electric company, may purchase the street lighting equipment and convert its street lighting service from the existing tariff to an alternative tariff approved by the Department of Telecommunications and Energy (“Department”). Section 196 places an obligation on electric companies to establish the purchase price for street light facilities, and to develop an alternative tariff for street lighting distribution service to be approved by the Department. Section 196 states that any dispute concerning the terms of the alternative tariff, the compensation to be paid the electric company, or any other matter arising in connection with Section 196 shall be resolved by the Department.

On June 22, 1998, the City of Haverhill (“Haverhill”) requested resolution of a dispute with Massachusetts Electric Company (“MECo” or “Company”) regarding valuation of street

light facilities. On July 7, 1998, MECo filed a response to the dispute raised by Haverhill.¹ In addition to the valuation of street lighting facilities and the compensation to be paid to the Company, MECo has presented several operational issues, including the costs for operations and maintenance that will no longer be provided by the Company as a tariffed service, pole attachment fees, and the requirements of the National Electric Code.

In order to investigate the valuation method of street lighting equipment, and other operational issues that arise with the transfer of street lighting equipment to a municipality, the Department seeks comments from interested persons. Comments should address the compensation to be paid to the electric companies, including the valuation method; operational issues, including the responsibility and costs for operations and maintenance that will no longer be provided by the Company as a tariffed service; pole attachment fees; and safety requirements, including compliance with the requirements of the National Electric Code; as well as any other pertinent issues.

Comments should be filed with Mary L. Cottrell, Secretary of the Department, no later than Friday, September 4, 1998.

¹ MECo's response included a proposed alternative street lighting tariff, designated as Rate S-5, which is available to municipal customers that choose to purchase their street lighting equipment from the Company. Under the proposed Rate S-5, the customer would own and maintain the purchased street lighting equipment. The proposed Rate S-5 includes a distribution charge in addition to other unbundled charges for demand-side management, renewables, transmission, transition, and the provision of energy services. The distribution charge is designed to collect the Company's costs associated with delivering power to the customer's street lighting equipment. The Department has docketed the review of the proposed alternative tariff as D.T.E. 98-69 and suspended the effective date of the Rate S-5 until no later than February 1, 1999 in order to investigate the propriety of the proposed tariff.

All comments exceeding 20 pages in length must be accompanied by an executive summary. Comments may not exceed 50 pages in length. Commenters must, whenever possible, file comments on a 3.5" diskette formatted in WordPerfect 5.1 or higher. One original and nine copies of all comments should be filed with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, 100 Cambridge Street, Boston, Massachusetts 02202. A copy of the comments will be available for public inspection at the Department's offices during business hours. In addition, the comments will be posted on the Department's website at <http://www.magnet.state.ma.us>. Copies of the comments also may be purchased from the Department.

Any person desiring further information regarding this notice and order, should
contact:

Ronald F. LeComte, Hearing Officer
Department of Telecommunications and Energy
100 Cambridge Street, Room 1210
Boston, Massachusetts 02202
(617) 305-3500

By Order of the Department,

Janet Gail Besser, Chair

James Connelly, Commissioner

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner